Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

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PAGE 01 JAKART 13067 070457Z

13
ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /089 W
---------- 051585
R 070308Z NOV 73
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 9472

UNCLAS JAKARTA 13067

PLEASE PASS EXIM

E.O. 11652: N/A
TAGS: BEXP, BGEN, ETRD, ID
SUBJ: EXIM GUARANTEES/AMTRACO

1. AMTRACO INDONESIA, AGENTS FOR NUMBER U.S. FIRMS, HAS SOLD SOME $700,000 WORTH OF EQUIPMENT FOR NEW TEXTILE SPINNING PLANT OWNED BY MITSUI AND PERENTIS IN TANGERANG, JAVA. REMAINDER OF PLANT EQUIPMENT VALUED AT ABOUT $10 MILLION BEING SUPPLIED FROM UK, FRG, AND SWISS SOURCES. ECGD, HERMES AND SWISS EQUIVALENT ALL PROVIDING FULL GUARANTEES BASED UPON MITSUI COMMERCIAL GUARANTEES ACCORDING AMTRACO.

2. U.S. SUPPLIERS ARE: SOSOL BUILDINGS OF SAN FRANCISCO SUPPLYING PREFABRICATED BUILDINGS VALUED AT $226,000; LESSONA CORPORATION OF WARWICK, RHODE ISLAND SUPPLYING WINDING MACHINES VALUED AT $386,000; AND YORKSHIPLY OF YORK, PA. SUPPLYING FOUR STEAM BOILERS VALUED AT $125,000. AMTRACO HAS BEEN INFORMED THAT THESE FIRMS HAVE BEEN REFUSED EXIM GUARANTEES. ACCORDING TO CABLE RECEIVED BY AMTRACO, EXIM EXECUTIVE BOARD DECIDED THAT "NO DEFERRED PAYMENT TRANSACTIONS ARE ACCEPTABLE WITHOUT AN OUT OF COUNTRY UNCONDITIONAL GUARANTEE BY AN ACCEPTABLE GUARANTOR AND THAT TO ENTER A TRANSACTION WITH A CONDITIONAL GUARANTEE IS IN VIOLATION OF U.S. BANKING LAWS

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PAGE 02 JAKART 13067 070457Z

APPLYING TO INDONESIA." IN VIEW EXIM DECLARED WILLINGNESS

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

TO MATCH FACILITIES OFFERED NATIONALS OF OTHER COUNTRIES WHOSE INSURANCE INSTITUTIONS ARE MEMBERS OF BERNE CONVENTION EMBASSY REQUESTS THAT EXIM CONTACT ECGD, HERMES AND SWISS EQUIVALENT TO ASCERTAIN THAT THEY HAVE INDEED PROVIDED FULL COVERAGE

FOR THEIR NATIONAL SUPPLIERS FOR THIS PROJECT WITHOUT BANK INDONESIA GUARANTEE. IF THIS IS THE CASE, URGE EXIM RECONSIDER DECISION IN AMTRACO CASES AND PROVIDE GUARANTEE ASSURING THESE EXPORTS FROM U.S. TOTALLING MORE THAN $700,000.

3. ERLAND HEGINBOTHAM, ECONOMIC COUNSELOR, JAKARTA, WHO ON TDY IN DEPARTMENT WITH PROMOTION BOARDS IS FAMILIAR WITH THIS CASE. IF NECESSARY ALSO SUGGEST CONTACT MR. MCBOLLMAN IN AMTRACO, NEW YORK OFFICE. TELEPHONE 212-953-0770.
GALBRAITH

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NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, TRADE, INDUSTRIAL PLANTS, LOAN GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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From: JAKARTA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1973/newtext/t19731150/aaaabkoo.tel
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Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 26 NOV 2001
Review Event:
Review Exemptions: n/a
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US Department of State
EO Systematic Review
30 JUN 2005

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